

HS

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 96-064-E - ORDER NO. 96-357 ✓  
MAY 16, 1996

IN RE: Petition of Duke Power Company for     ) ORDER APPROVING  
Approval of the Transfer of Property     ) TRANSFER OF PROPERTY  
in Laurens, South Carolina.     )

This matter comes before the Public Service Commission of South Carolina (the Commission) on the Motion for Expedited Approval filed by Duke Power Company (Duke or the Company) on April 29, 1996.

On February 22, 1996, Duke filed its Petition for approval of the transfer of 8.0 acres of land, located in the northwest corner of U.S. Highway 76 (Princeton Road) and Dean Drive, just west of Laurens, South Carolina, under the provisions of S. C. Code Ann. §58-27-1300 (Supp. 1995).

On August 1, 1995, Duke hired Century 21, Case and Associates, a local realtor, to market this parcel for sale. On January 30, 1996, Duke and Fred W. Wood Oil Company, Inc., entered into a contract at a price of \$148,500. The estimated market value of \$100,000 is reported in the June 6, 1995 appraisal by Robinson Company of Greenville, Inc., an independent appraisal firm in Greenville, South Carolina.

On March 13, 1996, Duke published a Notice of Filing in the Laurens newspaper, and there were no Intervenor in the matter.

Duke then filed verified testimony of William G. Adair, Jr., attesting to the above stated matters. In its Petition, Duke requested authority in accord with the FERC Uniform System of Accounts for Electric Utilities, that the original costs of the parcel being sold be credited as a reduction of the amount carried upon the books of the Company under Account 101, Electric Plant in Service. The difference between the sale price and the original cost of the parcel, under Duke's theory, will be applied to Account 421.10, Gain on Disposition of Utility Property.

Duke has stated that although S. C. Code Ann. §58-27-1300 (Supp. 1995) requires due hearing, that since no interventions have been filed in the present Docket, no separate public hearing should or need be held on the sale of the property. Duke further notes that the sale will not adversely affect the general body of its customers. Therefore, based on its Application, Motion, verified testimony, and other materials, Duke requests that the Commission approve its Petition in its regularly scheduled Tuesday meeting, and waive a formal hearing in this matter.


The Commission has examined this matter, and believes that the Motion for Expedited Approval made by Duke should be granted. No interventions have been received in this matter, nor does the matter affect the general body of subscribers of the Company. Therefore, the Commission believes that the discussion of the matter at its regular Tuesday meeting on May 14, 1996 at 11:15 a.m., based on the verified testimony and other materials in the record, may constitute the due hearing in this case, prescribed by

the statute.

Further, the Commission has examined the contents of the record in this case and agrees that the facts and conclusions as stated by Duke are correct, and that the sale of the property in Laurens, South Carolina should be approved with the accounting treatment as stated by Duke.

This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Executive Director

(SEAL)

**DISSENTING OPINION OF COMMISSIONER WARREN D. ARTHUR, IV:**

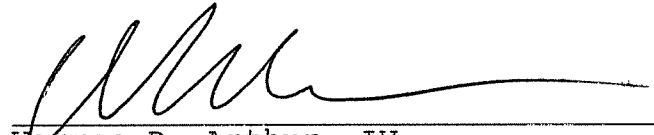
I have voted against the Motion and decision on the Application of Duke Power Company for approval of the transfer of the Laurens County real property. I feel that the ratepayers of the Company should receive a flow through of the profit in the amount of \$36,160.00 from the sale of this land.

The property was initially purchased to provide a service to the ratepayers. Upon purchase, the property value was included in the ratebase, and ratepayers have paid a return on it through their electric rates. Since the return has been received by the Company

from ratepayers over the years, I feel that the gain now realized from the sale should be returned to the ratepayers. The majority instead has voted to book the sale profit below the line and flow the profit to the shareholders of the Company. The shareholders are not the proper recipients of the gain.

The majority's vote is inconsistent with prior Commission Orders on sale of utility properties. In recent decisions, the Commission indeed has ordered the gains flowed back to the ratepayers. I believe we should maintain consistency and follow precedent in this regard.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'W. Arthur', with a long horizontal flourish extending to the right.

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Warren D. Arthur, IV  
Commissioner, Sixth District